



PACIFIC TURBINE
PTY LTD

14 August 2001

Dr K Michael AM
WA Independent Gas Pipelines Access Regulator
Office of Gas Access Regulation
PO Box 8469
Perth Business Centre WA 6869

Dear Dr Michael

RE: DRAFT DECISION ON DBNGP ACCESS AGREEMENT

I would like to take this opportunity to express concern at the Draft decision that has been published with regard to the DBNGP Rates Case.

We are a small company employing 27 people in Perth and have been overhauling and repairing the LM500 gas turbines on the DBNGP for ten years.

We have been following with interest the various media releases relating to this matter and are becoming increasingly concerned about the impact the access agreement will have on Epic Energy and subsequently ourselves and other small businesses performing work for Epic Energy.

We believe the proposed tariffs will prove to be untenable for Epic and will in fact cause serious financial distress for the company, as they have indicated. That distress will translate to a reduction in opportunities for companies such as ourselves and ultimately lead to a reduction in the reliability of equipment installed on the pipeline. We are concerned that our reputation will be indirectly tarnished by your draft decision. If Epic is forced to curtail certain maintenance activities, the reliability of that equipment will diminish and that could reflect on Pacific Turbine. Therefore, we risk not only losing future business from Epic Energy, but a tarnishing of our reputation as a quality turbine overhaul facility. This is definitely not desirable at a time when we are attracting an increasing amount of foreign investment to Perth. I'm sure you would agree that such a situation would be counter-productive for all involved.



PACIFIC TURBINE
PTL

Page 2 of 2

When they purchased the DBNGP, Epic Energy declared their intention to expand the capacity of the pipeline. We are concerned that the draft access agreement will stifle those expansion intentions and by extension, future business opportunities for our company.

Noting the above, we ask you to seriously consider the wider ramifications of this draft decision, before making your final decision.

We support Epic's stance on this very important issue and expect that many other small businesses in Western Australia will be impacted by such a harsh draft decision.

Yours faithfully,

Fred Kuenzel
Manager
Pacific Turbine Pty Ltd
Perth Operations